



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

August 2, 2011

To: All Department Heads

From: William T Fujioka  
Chief Executive Officer

Richard Sanchez  
Chief Information Officer

### MORATORIUM ON INFORMATION TECHNOLOGY ACQUISITIONS

This memorandum revises the moratorium on information technology (IT) related hardware, software, and other services issued on February 17, 2011 (attached but erroneously dated February 17, 2010).

The moratorium on IT purchases has been established to:

- Conserve County resources in this adverse budget climate;
- Promote the efficient and effective use of IT; and
- Ensure alignment with department Business Automation Plans and County IT Strategic Directions.

In order to provide departments flexibility to quickly respond to business and programmatic needs, only IT purchases with an aggregate value of **\$1,500** or greater will be subject to the moratorium.

Typical purchases which would be included in this \$1,500 limit are as follows:

- PC peripherals (e.g., keyboards, mice, monitors, webcams, USB removable devices);
- Individual software licenses (e.g., operating system software, application software, collaborative software); and
- Cell phones and smartphones.

Also, procurements for maintenance renewal of existing department software licenses or commercial-off-the-shelf software will continue to be exempt from the moratorium. **As a reminder, it is contrary to the moratorium to split contracts and purchase orders to avoid review requirements.**

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IT exemption requests will continue to follow processes established in the July 26, 2010 memorandum, "Guidelines and Procedures – Hiring Freeze, Non-Essential Services, Supplies and Capital Assets". The Chief Executive Office (CEO) will forward all IT exemption requests to the Chief Information Office (CIO) for review and recommendation.

The CIO will work with Internal Services Department to coordinate IT related purchases as defined in this memorandum to ensure they are processed with approval of the CEO. The CEO will also work with the CIO to evaluate the dollar limit in three months to determine if any modifications need to be made.

Please let me know if you have any questions, or your staff may contact Sid Kikkawa, Senior Assistant Chief Executive Officer, at (213) 974-6872 or [skikkawa@ceo.lacounty.gov](mailto:skikkawa@ceo.lacounty.gov).

WTF:RS:SK  
MKZ:LR:yjf

Attachment

c: Each Supervisor

IT Moratorium.m



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WILLIAM T FUJIOKA  
Chief Executive Officer

February 17, 2010

To: All Department Heads  
  
From: William T Fujioka  
Chief Executive Officer

Board of Supervisors  
GLORIA MOLINA  
First District

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## MORATORIUM ON INFORMATION TECHNOLOGY, VEHICLE, OFFICE RENOVATION AND FURNITURE PURCHASES AND OTHER COST SAVING MEASURES

County departments have been impacted by a severe economic climate and declining revenues in the last three budget cycles. Working with the Board and this office, each department successfully reduced expenditures and increased innovation in order to provide core services to our constituents. Looking forward, the economic outlook continues to be uncertain with large budget shortfalls, continued high unemployment, and the State proposing to realign services and reduce program funding. As a result of these circumstances, we currently project a Net County Cost (NCC) funding shortfall. In response to the shortfall, we ask each department to take immediate action to further reduce NCC expenditures. To that end, appropriations, blanket encumbrances and prior year commitments must be reexamined for savings opportunities. Besides the reduction efforts each department has undertaken, further efforts will be needed to proactively manage our budget in this adverse budget climate.

Therefore, effective immediately, **a moratorium on purchasing information technology hardware, software, vehicles, office furniture and remodeling expenditures with NCC funding is in effect until rescinded by this office.** The intent of the moratorium is to extend the use of County resources for one or more years and to defer all non safety related remodeling. Examples of items that are affected by the moratorium are new or replacement:

- Computer desktop equipment, laptops, net books, iPADS, printers (desktop and network) and peripherals;
- Network related servers, switches, routers and storage devices;
- Cell and smart phones;
- New software (existing software maintenance exempt);
- Fleet vehicles including cars, trucks and specialty vehicles;
- New office renovations (upgrades currently in progress exempt);
- Office furniture including modular furniture.

Currently, there is an appropriation freeze on a portion of each Department's services, supplies and capital assets. We intend to maintain this appropriation freeze through the end of the fiscal

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year. Departments must justify to their CEO Budget Analyst that all expenditures, including encumbrances, have been reviewed for savings and that there is no alternate option available for an exception to the moratorium to be considered. If you wish to request an exception, please use the attached form that was issued with the July 26, 2010 memo, "Guidelines and Procedures - Hiring Freeze, Non-Essential Services, Supplies and Capital Assets".

In addition to the measures listed above, blanket encumbrances will not be increased for the remainder of the fiscal year and **all blanket encumbrances need to be reviewed and reduced to achieve additional savings.** Furthermore, any NCC commitments that were established prior to fiscal year 2008/09 **must be cancelled** except for extraordinary circumstances. The Auditor-Controller will be issuing further instructions regarding prior year commitments under separate cover.

We understand these measures will impact the planning and operations in your department, but we cannot overstate the seriousness of the current fiscal climate. The County must have a heightened sense of urgency to face these challenges head on. It is our hope that through proactive action and improved economic conditions, this moratorium will be lifted by the 2012-13 budget cycle. This office will review monthly reports on NCC expenditures for items identified by this moratorium to assess the effectiveness of these steps and consider the need for further curtailments.

If you have any question, or require further information on this matter, please contact Sid Kikkawa, Senior Assistant Chief Executive Officer at (213) 974-6872 or [skikkawa@ceo.lacounty.gov](mailto:skikkawa@ceo.lacounty.gov)

WTF:EFS:SAW:ef

Attachment

c: Each Supervisor

## Exception Form - Requests for Hiring, Services, Supplies and Capital Assets

Department / Cluster:							
Request Date:							
Exception Requested for: (Please ✓ one box)		<input type="checkbox"/> Hiring <input type="checkbox"/> Promotion <input type="checkbox"/> Capital Assets <input type="checkbox"/> 120-Day Retiree <input type="checkbox"/> Services and Supplies					
Program / Unit:							
Funding Description:		\$ _____ One-time    \$ _____ Ongoing    \$ _____ Revenue Offset					
Funding Source:							
Blanket Authority Request? If Yes, Total Number of Positions Approved for Blanket Authority _____ (Use an Exception Request for each classification)		<input type="checkbox"/> Yes <input type="checkbox"/> No					
No. of Position(s) and Classification(s) for this Hiring / Promotion Approval:		No. of Positions _____ Classifications _____ Names: _____ _____ _____					
Complete this section only if your department is requesting that Services and Supplies or Capital Assets appropriations be unfrozen:		Fund	Dept Code	Org Level 1	Org Level 2	Object Category	Dollar Amount
		A01	SH	15681	15682	2000	\$ 300,000
							\$
							\$
<u>Justification for Exception:</u>							
Department Approval:		Signature Required (at the level of Administrative Deputy or higher)					
CEO Budget Analyst:		Signature Required				<input type="checkbox"/> Approved <input type="checkbox"/> Denied	
<u>Recommendation for Approval / Denial:</u>							
Employee Mitigation List:		Did any employees on the Mitigation List meet the requirements for this hiring exception?				<input type="checkbox"/> Yes <input type="checkbox"/> No	
Budget Manager:		Signature Required				<input type="checkbox"/> Approved <input type="checkbox"/> Denied	
Deputy Chief Executive Officer:						<input type="checkbox"/> Approved <input type="checkbox"/> Denied	
Senior Assistant CEO:		Signature Required				<input type="checkbox"/> Approved <input type="checkbox"/> Denied	
CEO Budget Analyst approval date: _____							